

SENATE BILL REPORT

2ESB 5529

As Passed Senate, May 23, 1995

Title: An act relating to school district levies.

Brief Description: Changing school district levy provisions.

Sponsors: Senators McAuliffe, Rinehart, Moyer, McDonald, Wojahn and Winsley; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 2/16/95, 2/27/95 [w/oRec-EDU].

Education: 2/28/95 [DPA].

Passed Senate, 3/10/95, 37-10.

First Special Session: Passed Senate, 5/23/95, 44-2.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That it be referred to Committee on Education without recommendation.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Fraser, Gaspard, Hargrove, Johnson, McDonald, Moyer, Pelz, Quigley, Sheldon, Snyder, Strannigan, West and Wojahn.

Staff: Bill Freund (786-7441)

Background: Since 1978, there has been a statutory limit on school district maintenance and operation levies. This limit is commonly known as the levy lid law. Initially, the lid was set at 10 percent of state basic education funds. School districts having levies in excess of 10 percent were provided grandfather exemptions. Since its inception, the levy lid law has been amended 11 times, with the latest change having been enacted in 1993. The 1993 amendment increased the levy lid from 20 percent to 24 percent for calendar years 1994 and 1995. The limit for grandfathered districts was also increased 4 percent, and the highest authorized levy rate is currently 33.9 percent. In 1996, absent legislative action, the limit will revert to 20 percent, and be reduced 4 percent for grandfather districts.

Summary of Bill: The 4 percent levy lid increase is extended for two years (calendar years 1996 and 1997). For levies to be collected in 1998 and thereafter, school boards can only request voter approval for amounts consistent with the 1993 levy rate.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Many districts have passed levies for 1996 which are greater than they would be allowed to collect unless the law is changed. Reverting to a lower levy lid will result in program cuts.

Testimony Against: The levy lid has been increased numerous times. The Legislature should lower, not increase, the levy lid. If the levy lid is increased, levy equalization should be fully funded at 12 percent.

Testified: Senator McAuliffe, prime sponsor; Neal Kirby, Committee for Levy Equalization, Centralia Schools; Barbara Mertens, WASA; Jean Ameluxen, OSPI; Karen Davis, WEA; Superintendent Bill Kendrick, Ellen Roe, Seattle Schools; Dwayne Slate, WSSDA; Superintendent Jim Shoemake, Mukilteo Schools; Rosemary Ziara, Snoqualmie Valley School District #410; Walt Rulffes, Spokane Schools; Ed Jahncke, Mercer Island School Board; John Kvamme, Tacoma Public Schools; Mike Boring, Chehalis Schools.

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass as amended.

Signed by Senators McAuliffe, Chair; Pelz, Vice Chair; Finkbeiner, Gaspard, Hochstatter, Johnson and Rasmussen.

Staff: Leslie Goldstein (786-7424)

Testimony For: None.

Testimony Against: None.

Testified: No one.